

Bountiful City Power Department
198 South 200 West, Bountiful, UT
April 19, 2016 (8:00 a.m.)

Committee Members:	Beth Holbrook, Richard Higginson, John Marc Knight
Power Commissioners:	Susan Becker, Dan Bell, David Irvine, Jed Pitcher, Paul Summers, John Cushing
City Manager:	Gary Hill
Assistant City Manager:	Galen Rasmussen
Department Personnel:	Allen Johnson, Light & Power Director Brent Thomas, Superintendent of Operations Alan Farnes, Generation Superintendent Jay Christensen, Accountant Luke Veigel, Power Systems Electrical Engineer Pat Wood, Recording Secretary Tyson Beck, Finance Director

Committee chair Beth Holbrook called the meeting to order at 8:00 a.m., and welcomed those in attendance.

Jay Christensen presented the budget for the Light and Power fund with comments and clarification being provided by Allen Johnson, Alan Farnes, Brent Thomas and Luke Veigel. An overview of the Power system design and capacity was provided:

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- b. There is an estimated 3,500 meters in need of replacement/relocation from the street to the home. At \$5,000 per meter, it would cost the Power fund \$16,000,000 to accomplish the replacement/relocation.
- c. In the overhead distribution system there are 3,000 poles which could be replaced with an estimated cost of \$6,000,000.
- d. All of the transmission system poles have been tested, 21 poles have failed the test and require replacement to retain structural integrity.
- e. Most of the transmission system was installed in the decade of the 1960s. The north end of the transmission system, while capable of carrying redundant load, is limited in capacity versus the south end of the system.
- f. The 138 Substation contains a 75 MW and a 62.5 MW transformer to deliver electricity at the north end of the City. The City's current peak demand has hit 81 MW. Future growth in demand is more likely to occur by increasing availability and saturation from electricity demanding equipment (e.g. electric vehicles, electronic equipment, etc.).

A review of the budget request from the Power fund included the following:

- 1. Current cash balances of \$24,913,124 (\$19,650,100 in operating funds and \$5,263,024 in rate stabilization funds).
- 2. The Rate Stabilization fund requires maintenance of a \$5,000,000 balance.
- 3. To maintain the current AA- bond rating, the Power fund must maintain a cash balance of \$16,000,000.
- 4. The 2010 Electric Revenue Bond has a current balance of \$12,085,000 with advance payment option of \$8,630,000 in the year 2020.
- 5. The fiscal year 2016-2017 budget includes a 2.3% increase in fees to bring the City's customer charge in line with Rocky Mountain Power. The rate increase will bring \$560,000 in additional revenue.
- 6. To remain in a favorable cash position, management recommends incremental rate increases of 2% to 5% over the next few years through 2020. These increases will allow for maintenance of the system, payment for capital needs and recovery of lost revenue from solar customers and conservation efforts.
- 7. The fiscal year 2016-2017 budget request is for \$26,911,171. This is broken into the following categories:
 - a. Personnel Services \$4,350,091
 - b. Operations and Maintenance \$18,330,208
 - c. Non-Operating \$793,130
 - d. Capital \$3,129,000
 - e. Transfers in \$308,742

74 Additional discussion ensued relative to the impacts from solar customers and the need for a handout
75 for customers to correct misinformation in the marketplace.

76 Committee member Richard Higginson made a motion to accept the tentative budget of the Power
77 fund, with direction for staff to develop an annual rate-increase schedule of 2%-5% until 2020.

78 Committee member John Marc Knight seconded the motion. Voting was unanimous with Committee
79 members Holbrook, Higginson and Knight voting “aye”.

80 The committee meeting adjourned at 9:38 a.m. with Power Commission continuing.